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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

THE 1965 FEED GRAIN PROGRAM

A general explanation prepared especially for Agricultural Stabilization and Conservation Committeemen.

Again in 1965, as in previous years, the feed grain program is entirely voluntary. Participation in the program is a matter of individual decision by each producer on farms that produce barley, corn, or grain sorghum. Producers who grow more than one of the feed grains—barley, corn, and grain sorghum—will have a total feed grain base for their farms and may make a choice of diverting from the base acreage to conservation use one or more of these feed grains. The base period is 1959-60.

Although the program was not available before the planting of fall barley, those farms on which barley, corn, and/or grain sorghum were grown in 1959-60 may participate by reducing corn, barley, or grain sorghum acreage since these crops will have contributed to the farm feed grain base.

The program is designed to:

1. Raise farm income by assuring fair prices for feed grain producers and by providing a basis for stability for livestock prices.
2. Continue the substantial progress toward the national goal of a 45- to 50-million-ton feed grain carryover. Previous programs have already reduced the carryover from 85 million tons to less than 60 million tons.
3. Reduce program costs to taxpayers by reducing the storage cost of grain held in government inventory.

Farmers who participate will be eligible for diversion and price-support payments, and price-support loans on their 1965 production of the three grains. The price-support payments will be made to those participating whether the feed grain produced in 1965 is fed on the farm, sold, or placed under a price-support loan.

The principal points of the 1965 Feed Grain Program are:

1. The program is voluntary.
2. It applies to barley, corn and grain sorghum, which together are referred

to as the "total feed grain base" in this program explanation.

3. To take part in the program, a farmer agrees to take out of production at least 20 percent of the total feed grain base for his farm.
4. The farmer who diverts as many acres as he signs up to divert and otherwise complies with the program earns a payment for acreage diversion and becomes eligible for the feed grain price support. However, he is not eligible for payments or price support if the feed grain acreage exceeds the feed grain base on any other farm in which he has an interest.
5. Diversion payments based on the farm's established normal yield and the local price-support rate will be made on qualifying acreage taken out of production.
6. Price-support payments of 20 cents a bushel, based on the established normal yield for the farm, will be made on the 1965 acreage of corn. A similar payment will be made on barley at 16 cents a bushel and on grain sorghum at 35 cents a hundred pounds. The same per bushel and per hundred pounds price-support payment rates will apply to all complying farms.
7. Price-support loans and the price-support payment for corn, barley, and grain sorghum will be available only to those who sign up to take at least 20 percent of the total feed grain base for their farms out of 1965 crop production and devote that acreage to conservation uses and maintain the normal conserving base acreage for the farm. Price-support loans for those who take part in the program will be available for their entire production of corn, grain sorghum, and barley in 1965.

Producers who cooperate with the Government in the effort to continue reducing supplies of feed grains will thus receive financial returns for acreage diverted from feed grain production, plus support prices, including price-support payments, for the feed grains they produce.

Although the program is entirely voluntary, those producers who choose not to sign up in the program will not be eligible for price support on corn, grain sorghum, or barley.

A Participant Has These Advantages

1. Price support will be available for his 1965 production of corn, grain sorghum, and barley.

2. A substantial income from the acres diverted is assured regardless of drought, flood, insects, hail, or crop disease.

3. The price-support payment on the established yield on the planted acreage, not to exceed 80 percent of the total feed grain base, is assured.

General

Producers on farms for which regular feed grain bases have been established may take part in the 1965 Feed Grain Program. Only those taking part are eligible for price support on their 1965 crops of corn, barley, and grain sorghum and for the diversion payment.

A general explanation of the program and the requirements for taking part—becoming a participant—are given on the following pages.

The first portion of the explanation applies only to those feed grain producers who do not intend to take advantage of the substitution provisions, the oat-rye base provisions, or to take advantage of provisions for overplanting their base acreage of malting varieties of barley. Details of the wheat-feed grain substitution provisions, oat-rye base provisions, and the malting barley program are provided in later sections of the explanation.

Producer Declaration of Intention to Take Part

ASCS county offices will have forms on which a farmer may declare his intention to participate in the program.

Farm Acreage Information

From information previously supplied by producers, county ASC committees have determined barley, corn, and grain sorghum base

acreages and the total feed grain base acreage for all farms known to have produced feed grains in 1959 and 1960. Farm yields and diversion rates of payment also have been determined, and farmers will receive a notice of these determinations. However, this action is not a signup in itself—the producer who wants to take part must still file his declaration of intention to participate in the program with the ASCS county office.

How Much Reduction?

The smallest number of acres of the farm feed grain base that can qualify under the program is calculated from the established feed grain base for the farm. That acreage is 20 percent of the total feed grain base. If more than one of the feed grains is grown on the same farm, the reduction may be made in any one crop or part in each crop. The payment will be made for the feed grain or grains actually reduced—if the base is made up of corn and grain sorghum and the entire reduction is made in grain sorghum, the diversion payment will be figured on grain sorghum.

The largest number of acres that can be taken out of production for diversion payment and used for conservation depends on the size of the farm's total feed grain base.

If the feed grain base is 25 acres or less, the base becomes the largest acreage that can be taken out of production for payment. If the farm feed grain base is more than 25 acres, the largest acreage that can be taken out of production for payment is 25 acres or 50 percent of the base, WHICHEVER IS LARGER.

For example: If a farm has a feed grain base of 22 acres—the smallest acreage that would qualify the farm would be 20 percent of 22 acres or 4.4 acres. The largest acreage that could be taken out of production for payment would be 22 acres.

For example: If a farm has a feed grain base of 48—the smallest acreage to qualify the farm would be 20 percent of 48 acres or 9.6 acres. The highest acreage that could qualify for payment under the program would be 25 acres, since 25 acres is larger than 50 percent of the farm feed grain base.

For example: If a farm has a base of 80 acres, the smallest acreage to qualify the farm would be 20 percent of 80 acres, or 16 acres. The largest acreage for which the farm could receive a diversion payment would be 50 percent of 80 acres, or 40 acres.

Total Acres of Conservation Use

The cropland acres diverted to conservation uses under the 1965 feed grain program are to be in addition to the farm's established con-

servation base and any acreage diverted to conservation use under other Federal programs. The conserving base for a farm will be increased by any acreage of non-cropland being brought into cultivation for the first time in 1965.

Permitted Acres of Feed Grains

Each participating farm will have a total permitted acreage for the feed grains, corn, barley, and grain sorghum.

After a farm operator decides how many acres of his feed grain base he will take out of production (his intention), that acreage is subtracted from the total feed grain base. The result is the permitted acres of feed grains for 1965. The permitted acres then becomes the largest total acreage of corn, barley, and grain sorghum that can be produced on the farm in 1965 if the producer expects to qualify for diversion and price-support payments, and for price-support loans.

Eligibility for 1965-Crop Feed Grain Support

A producer of corn, barley, or grain sorghum to qualify for price support on 1965 crops of these feed grains, must:

1. Sign up for the 1965 program with the ASCS county office. The period during which feed grain producers may file intentions to participate in the 1965 Feed Grain Program (the signup period) begins February 8, 1965, and ends March 26, 1965.
2. Comply with his intended diversion from his feed grain base as stated in his sign-up papers.
3. Use the acres taken out of feed grain production for conservation use in addition to the conservation use base acreage for the farm.
4. Stay within the feed grain base on all other farms in which he has an interest.

Price Support Rates

The total price support for 1965 for corn, barley, and grain sorghum is in two parts—the loan rate and the price-support payment rate.

The loan rate for corn is \$1.05 a bushel, national average, and the price-support payment is 20 cents a bushel, making a total price-support rate of \$1.25 a bushel, national average.

For barley, the national average loan rate is 80 cents a bushel and a price-support payment rate of 16 cents a bushel, making a total national average price-support rate of 96 cents a bushel.

For grain sorghum, the national average loan rate is \$1.65 per cwt., and the price-support payment rate is 35 cents per cwt., making a total average price-support payment rate of \$2.00 per cwt.

Loan rates will be calculated for each county in which each of the crops is grown, in the same manner as county loan rates have been determined in the past.

The price-support payment will be made to those taking part in the program. If more than one of the three feed grains is produced on a farm, a separate per-acre rate will be established for each feed grain.

The price-support payment, based on each producer's share in the crop, will be made to all participants in the program who plant feed grains for harvest, and will be made regardless of the use made of the grain. The producer may sell the grain or feed it if he wishes and still receive the payment.

Land Eligible for Diversion

Generally, cropland may be designated as diverted acreage if it meets one of the following conditions:

1. Has been used for the production of small grains or row crops in at least one of the years 1960, 1961, 1962, or 1963.
2. Has been devoted to a hay crop all during the 1960-63 period in a normal rotation pattern and is equal in productivity to the land on which feed grains have been produced.
3. Designated as diverted acreage under the 1961, 1962, 1963, or 1964 feed grain programs or the 1962, 1963, or 1964 wheat stabilization program, except such designated land as has been planted to trees or is used for water storage.

(Eligibility of specific acreage for diversion should be obtained from the ASCS county office.)

Payment Rates for Diversion

For each farm minimum and additional diversion payment rates per acre will be figured for each of the three eligible feed grains—barley, corn, and grain sorghum.

One of these, the lower rate, will be based on the established normal yield for the farm times one-fifth of the county total price-support rate (price-support loan rate plus the price-support payment rate).

The higher rate is based on the established normal yield for the farm times one-half the total price-support rate for the county. If less than 40 percent of the base is diverted the lower rate will apply to the number of acres

equal to 20 percent of the feed grain base and the higher rate to the acreage diverted in excess of 20 percent.

If the acreage intended for diversion and the acreage actually diverted for payment as determined by compliance is equal to 40 percent of the base or more this higher rate of diversion payment applies to the entire acreage diverted. Producers who fail to divert the full 40 percent of their feed grain base, although signed up for the diversion, will not be paid at the additional rate. Their payments will be at the minimum rate for 20 percent of the diversion and at the additional rate for acreage over 20 percent.

However, a provision of law limits the diversion payment per acre to no more than 20 percent of the fair market value.

Producers who cash rent publicly owned cropland, whether Federal, State, or county, should consult the ASCS county office for diversion rates for such cropland.

Diversion Payment When Base is 25 Acres or Less

On farms on which the feed grain base is 25 acres or less, the following examples show the method of applying the rates of diversion payment:

Assume that a farm has a feed grain base of 21 acres (all corn) with rates of diversion payment of \$15 an acre for the first 20-percent diversion (the lower rate) and \$37.50 an acre for the acres diverted above 20 percent of the base.

1. If the operator diverts only 20 percent of the base, which is the minimum for a participating farm, the diversion payment would be figured in this way:

$$\begin{aligned} 20 \text{ percent of } 21 \text{ acres} &= 4.2 \text{ acres} \\ 4.2 \text{ acres times } \$15.00 &= \$63.00 \text{ total} \\ &\text{diversion} \\ &\text{payment} \end{aligned}$$

2. If the operator diverts more than 20 percent of the base and less than 40 percent, say 8 acres—3.8 acres more than the minimum to be a participant—the diversion payment would be:

$$\begin{aligned} 20 \text{ percent of } 21 \text{ acres} &= 4.2 \text{ acres} \\ 4.2 \text{ acres times } \$15.00 &= \$63.00 \\ 8 \text{ acres minus } 4.2 \text{ acres} &= 3.8 \text{ acres diverted} \\ &\text{above the minimum} \\ 3.8 \text{ times } \$37.50 &= \$142.50 \end{aligned}$$

The total diversion payment would be
\$63.00 plus \$142.50 = \$205.50

3. If the operator signs up for and actually diverts for payment at least 40 percent of the base, the diversion payment would be

the acres for payment times \$37.50. For example, if the entire base is diverted, the payment would be:

$$21 \text{ times } \$37.50 = \$787.50$$

If the farmer fails to fulfill his agreement by complying with the program he becomes ineligible for diversion payments, price-support payments and his feed grain production will be ineligible for the price-support loan.

Diversion Payment When Base is More Than 25 Acres

For farms with feed grain bases of more than 25 acres, the smallest number of acres that can be diverted for payment is 20 percent of the total feed grain base. The largest number of acres that can be diverted for payment is 50 percent of the total feed grain base or 25 acres, whichever is larger.

For example: Assume that a farm has a feed grain base of 80 acres with payment rates of \$15.00 an acre for the low rate and \$37.50 per acre for the high rate and that 30 acres are diverted. The number of acres to which each rate would apply would be figured this way:

$$20 \text{ percent of } 80 \text{ acres} = 16 \text{ acres}$$

Since the 30 acres diverted is more than 20 percent of the feed grain base, there would be 14 acres diverted to which the higher rate would apply.

The total diversion payment then would be:

$$\begin{aligned} 16 \text{ times } \$15.00 &= \$240.00 \\ 14 \text{ times } \$37.50 &= 525.00 \end{aligned}$$

Total diversion payment \$765.00

The operator of this farm could sign up for and actually divert more acres, for example, 40 percent of the feed grain base and get the high rate of diversion for every acre diverted. Then the diversion payment would be figured this way:

$$\begin{aligned} 40 \text{ percent of } 80 \text{ acres} &= 32 \text{ acres} \\ 32 \text{ times } \$37.50 &= \$1,200 \text{ total diversion payment} \end{aligned}$$

There is another choice for the operator of a farm such as this one—he may choose to divert for payment as much as 50 percent of the farm feed grain base and get the high rate of payment for every acre diverted. If that many acres were to be diverted, the payment would be figured this way:

$$\begin{aligned} 50 \text{ percent of } 80 \text{ acres} &= 40 \text{ acres} \\ 40 \text{ times } \$37.50 &= \$1,500 \text{ total diversion payment} \end{aligned}$$

If the farmer fails to fulfill his agreement by complying with the program he becomes ineligible for diversion payments, price-support payments and his production will be ineligible for the price-support loan.

The Price-Support Payment

The price-support payment on participating farms is made on the basis of the established normal yield and the number of acres planted for harvest in 1965. The price-support payment for each of the three feed grains is the same for all participating farms, regardless of the location (see price-support rates, page 3). For example, the price-support payment rate for corn is 20¢ a bushel in every county.

Assume that a farm has a feed grain base of 80 acres (corn), and that 20 acres are diverted from the feed grain base to conserving use as the owner had agreed to do when he signed up to participate. Sixty acres of corn are planted and the normal yield is established at 80 bu. All other requirements for a participating farm are met.

The price-support payment would be figured in this way:

80 bu. times \$0.20 = \$16.00 per acre
60 acres times \$16.00 = \$960.00

In addition, the entire production from the 60 acres of planted corn would be eligible for a price-support loan at the rate per bushel for the county in which the farm is located. (The national average loan rate for corn is \$1.05 a bushel.)

The price-support payment of \$0.20 a bushel would be made even if the corn produced on the 60 acres were fed to livestock on the farm or if part of the production were sold, placed under price-support loan, or not harvested.

On farms where the entire feed grain base is diverted to a conserving use or where no feed grains are planted for harvest there would be no price-support payment.

A provision of law also limits the price-support payment per acre to no more than 20 percent of the fair market value of the land planted to feed grains.

Substitution of Wheat for Feed Grains or Feed Grains for Wheat

A choice available to farmers who grow both wheat and feed grains is to sign up for both the wheat and feed grain programs with the intention of growing wheat on the permitted acres of feed grains or feed grains on the permitted acres of wheat.

For winter wheat growers the first step in this choice was to have signed up for the wheat program during the period which closed October 2, 1964. Spring wheat growers may sign up to participate in the wheat program beginning February 8, 1965, and extending through March 26, 1965. Winter wheat growers who signed up to participate last fall may increase or decrease the acres of wheat intended for

diversion within the announced limitation of the wheat program. Winter wheat growers who did not sign up to participate in the wheat program last fall may not sign up during the spring period.

To make use of the substitution privilege a farmer is to be a participant in both the wheat and feed grain programs. When the farmer has filed his intentions for the acreage he expects to divert from wheat and from feed grains a permitted acreage will be determined for his farm. The permitted acreage for wheat and for feed grains will then be added to get a total permitted acreage for the farm. For example: Assume that a farm has a 1965 wheat allotment of 81 acres and the operator decides to divert for payment 8.1 acres, 10 percent of his wheat allotment, leaving a permitted acreage of wheat of 72.9 acres. The operator also signs up to become a participant in the feed grain program and has a feed grain base of 70 acres—made up entirely of grain sorghum. He decides to divert to conserving use and for diversion payment 40 percent of his feed grain base or 28 acres leaving a feed grain permitted acreage of 42 acres. The total permitted acreage for the farm would then be 72.9 acres from wheat plus 42 acres from feed grains for a total of 114.9 acres.

The total permitted acres could be planted to wheat or to grain sorghum, or part to wheat and part to grain sorghum. Total production of each crop would be eligible for price-support loan.

For example: The farmer could plant 90 acres of wheat and 24.9 acres of grain sorghum. The additional wheat would not increase the amount of wheat certificates. The farmer would be eligible for the maximum value of certificates since 64.8 acres of wheat is the maximum acreage for which certificates may be issued (81 acres times 80 percent). There would be no wheat diversion payment since the acreage of wheat would have been increased over the allotment. However, he would be eligible for a diversion payment on 36.1 acres at grain sorghum rates since diversion was accomplished by decreasing the grain sorghum acreage. His payment would be based on 8.1 acres at the minimum grain sorghum rate and 28 acres at the additional rate.

A second example: For the same farm—an 81 acre wheat allotment and 70 acre feed grain base (all grain sorghum).

The operator decides to divert 20 percent of the feed grain base leaving a permitted acreage of feed grain of 56 acres. He also signed up for the wheat program with no diversion for payment leaving a wheat permitted acreage of 81 acres.

The total permitted acreage is 137 acres. He

decides to produce enough acres of wheat to be eligible for his maximum value of domestic marketing certificates which is 36.5 acres (45 percent of 81 acres). The balance of the total permitted acreage is planted to grain sorghum, 100.5 acres (137 minus 36.5 acres of wheat).

This farmer is eligible for the maximum value of domestic certificates on wheat, the price-support loan on all grain sorghum and wheat produced.

He is eligible for a diversion payment on 14 acres at the wheat diversion rate for the farm since the feed grain acreage on the farm was actually increased and the diversion was accomplished by decreasing the wheat acreage.

A third example of substitution: The same farm—a wheat allotment of 81 acres and a feed grain base of 70 acres (grain sorghum). He signs up for both programs.

He plans to divert 40 percent of his feed grain base or 28 acres leaving a feed grain permitted acreage of 42 acres. He plans no diversion for payment from wheat leaving 81 acres as wheat permitted acreage. The total permitted becomes 123 acres (81 plus 42 acres). He plants 64.8 acres of wheat making him eligible for the maximum amount of certificates. He plants 52.8 acres of grain sorghum (123 minus 64.8 acres of wheat).

He is eligible for a diversion payment on 16.2 acres (70 minus 52.8); however, instead of receiving the maximum diversion rate for grain sorghum on 28 acres, 20 percent of the base or 14 acres will be paid at the minimum rate and 2.2 acres at the additional rate, or the acreage by which the feed grain base was underplanted. The 11.8 remaining acres earning diversion payment will be at the wheat rate.

In all cases there must be an acreage equal to 11.11 percent (10 acres in the above examples) of the farm wheat allotment designated as diverted acres for which no payment is earned.

Failure by a farmer to fulfill his agreement by complying under the substitution provisions may result in the loss of diversion payments, price-support payments or certificates, and eligibility for price-support loans for at least one of the programs. If the substitution provisions are not met each program will be considered separately.

Oat-Rye Base

A feed grain producer who is also a wheat grower and signs up to participate in both the wheat and feed grain programs, and chooses to use the wheat-fed grain substitution provision in order to grow more wheat, may request the ASC county committee to establish an oat-rye base for his farm.

The oat-rye base is determined from the average 1959-60 oat and rye acreage on the farm but cannot be larger than the 1964 oats and rye acreage unless the ASC county committee finds this condition abnormal. The oat-rye base does not become a part of any other base.

Even though an oat-rye base has been requested the oat-rye provision is no longer applicable for a farm if the acreage devoted to corn, grain sorghum, and barley exceeds the feed grain permitted acres, the excess wheat provision is adopted, or the malting barley exemption is requested.

The rate of payment for diversion from the oat-rye base is one-fourth the wheat diversion rate per acre for the farm. When wheat is substituted the diversion payment is at the oat-rye rate.

In addition, use of the oat-rye base removes the option of growing corn, grain sorghum, or barley on wheat permitted acres.

The oat-rye permitted acreage (the oat-rye base minus the acreage to be diverted) may be used for the production of wheat and the feed grain permitted acreage may also be used to grow wheat.

The oat-rye permitted acreage cannot be used for growing corn, grain sorghum, or barley.

The acres diverted from the oat-rye base are to be devoted to approved conservation uses and are in addition to conserving base for the farm and the acres diverted from wheat and feed grains.

Use of Diverted Acres

The acres diverted from the production of feed grains under the program are to be used for approved conservation measures (with exception of substitute crops) if the participating farm is to remain eligible for diversion payments, price-support payments, and price-support loans. Erosion, weeds, rodents, and insects are also to be controlled on the diverted acreage.

Grazing on diverted acreage under the 1965 Feed Grain Program is not permitted except as authorized by the ASC county committee.

Planting Approved Substitute Crops on Diverted Acres

The law authorizes the Secretary of Agriculture to offer participating producers an additional choice as to the use of acreage diverted for payment from feed grains. Instead of devoting the diverted acreage to conserving uses they have the option of growing one or more of the optional crops if the Secretary de-

termines that the crops will not likely be in surplus. A determination will be made later whether any such crops may be substituted in 1965.

The rate of diversion payment will be reduced when any authorized substitute crop is planted on diverted feed grain acreage.

Conservation Uses

The diverted acreage may be devoted to the following conservation uses:

1. Permanent-type or rotation cover of grasses and legumes.
2. Temporary cover of grasses or legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other uses as approved for the area.

Each ASCS county office has a list of conservation uses that have been approved for the county.

Diverted Acres in Connection with the Agricultural Conservation Program and the Great Plains Conservation Program

Participation in the feed grain program will not prevent a farmer from applying for assistance under the Agricultural Conservation Program or the Great Plains Conservation Program in establishing conservation uses on the diverted acres. The ASC county committee may approve ACP cost-shares on the diverted acres. This assistance is not guaranteed. Those interested in the Great Plains Conservation Program should consult any USDA representative in the county.

Making Payments

Each participating feed grain producer has a choice of receiving the diversion payment and the price-support payment as a certificate that may be redeemed in grain or as a sight draft cashable at any bank.

Division of Payments

The application for payment will show any division of the diversion payment between the landlord and the tenant. ASC county committees have the responsibility to satisfy themselves that the division of the diversion payment is fair. The price-support payment will be divided among producers as they share in the 1965 crop.

To Participate

On the basis of the information filed by the farmer, the ASC county committee establishes a feed grain base and a conserving acreage base for the farm. If the farmer has been producing only corn, the base is figured from the acreage of corn, or if only grain sorghum is produced, the base is figured from the acreage of grain sorghum, or if only barley is produced, it is figured from the acreage of barley. If more than one of these crops is produced, separate base acreages will be determined for each crop. The total base represents the sum of the separate bases.

Owners and operators will receive a notice of base acreages, yields and diversion payment rates for the farm.

To participate in the 1965 Feed Grain Program the farmer completes and files with the ASCS county office, not later than the final date (March 26, 1965), an intention-to-participate form.

After this form is filed, the farmer then will have the responsibility of (1) diverting acreage from corn, barley, and or grain sorghum in total to the extent indicated, (2) designating the acreage of land to be diverted and establishing conservation use on such land, (3) maintaining the conservation base acreage on his farm, and (4) not exceeding the total feed grain base on any other farms in which he has an interest. (Intentions to participate may be changed until the March 26 deadline is reached.)

Producers with an Interest in More Than One Farm

A producer with an interest in more than one farm may participate in the program on one farm and receive diversion and price-support payments and be eligible for price-support loans on the feed grain he produces on that farm provided the acreage devoted to feed grains on any other farm in which he has an interest does not exceed the farm feed grain base.

Malting Barley Provisions

For certain malting varieties, farmers having a history of producing malting barley can apply to overplant their barley base acreage by 10 percent. The malting barley provisions are available in 14 States only—California, Colorado, Idaho, Illinois, Iowa, Michigan, Minnesota, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wisconsin. Producers electing this option will be



eligible for the full county barley support rate based on a national average of 96 cents per bushel, but no barley diversion or price-support payments.

On farms using the malting barley exemption, substitution of wheat for feed grain or oat-rye base acreages will no longer be applicable to these farms.

Producers electing to use the malting barley exemption who also have a corn or grain sorghum base may participate in the 1965 Feed Grain Program for these crops. Such producers must not exceed their corn and grain sorghum base acreages on the malting barley farm or the permitted feed grain acreage on any other farm in which they have an interest.

Price Support—Oats and Rye

The 1965 national average loan rate for oats is 60 cents per bushel and for rye is \$1.02 per bushel. Eligibility for price support on these two grains does not require participation in the 1965 Feed Grain Program unless a producer wishes to establish an oat-rye base so he can substitute wheat on his oat-rye acreage.

(This explanation is provided to help in the general understanding of the 1965 Feed Grain Program. It does not replace official instructions and regulations applicable to individual farm situations.)

The period during which feed grain producers may file intentions to participate in the 1965 feed grain program (signup period) extends from February 8, 1965 through March 26, 1965.

E R R A T A

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Paragraph headed LAND ELIGIBLE FOR DIVERSION. The years mentioned in Items 1 and 2 should be 1961, 1962, 1963, or 1964.

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Mark out beginning with first full paragraph, "This farmer is eligible....," through the sixth complete paragraph which ends, "for which no payment is earned." Substitute the following paragraphs:

"This farmer is eligible for the maximum value of domestic certificates on wheat, is eligible for the feed grain price-support payment on the normal production from 56 acres (80 percent of the feed grain base) of grain sorghum and the price-support loan on all grain sorghum and wheat produced.

"He is eligible for a diversion payment on 14 acres at the wheat diversion rate for the farm since the feed grain acreage on the farm was actually increased and the diversion was accomplished by decreasing the wheat acreage.

"A third example of substitution: The same farm -- a wheat allotment of 81 acres and a feed grain base of 70 acres (grain sorghum). He signs up for both programs.

"He plans to divert 40 percent of his feed grain base or 28 acres leaving a feed grain permitted acreage of 42 acres. He plans no diversion for payment from wheat leaving 81 acres as wheat permitted acreage. The total permitted becomes 123 acres (81 plus 42 acres). He plants 64.8 acres of wheat making him eligible for the maximum amount of certificates. He plants 58.2 acres of grain sorghum (123 minus 64.8 acres of wheat).

"He is eligible for a diversion payment on the 11.8 acres (70 minus 58.2); however, instead of receiving the maximum diversion rate for grain sorghum on 28 acres, 11.8 acres will be paid at the minimum rate. The remaining 16.2 acres earning diversion payment will be at the wheat rate.

"In all cases there must be an acreage equal to 11.11 percent (9 acres in the above examples) of the farm wheat allotment designated as diverted acres for which no payment is earned."

January 1965

